

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

October 4, 2022

2. Department

Department of Conservation

3. Organizational Placement (Division/Branch/Office Name)

Geologic Energy Management Division

4. CEA Position Title

Chief Deputy of Field Operations

5. Summary of proposed position description and how it relates to the program's mission or purpose.
(2-3 sentences)

This position is responsible for making executive-level decisions on behalf of the State Oil and Gas Supervisor in the Geologic Energy Management Division (CalGEM) on the following: ensuring production of oil, gas, and geothermal resources occurs in a manner that minimizes impacts to health, safety, and the environment; supervising the drilling, operation, maintenance, and abandonment of oil, gas, and geothermal wells and the operation, maintenance, and removal of attendant facilities; permitting owners/operators to increase the ultimate recovery of resources. This position receives delegated authority from the State Oil and Gas Supervisor to carry out the mandates of the program and often exercises discretion in carrying out the laws and regulations of the Division. This position also ensures that the State Oil and Gas Supervisor and the Director of the Department of Conservation have a wide-range of scientific input in making decisions that affect oil, gas, and geothermal operations, as well as decisions that protect public health.

6. Reports to: (Class Title/Level)

Governor's Appointee - State Oil and Gas Supervisor

7. Relationship with Department Director (Select one)

- ☐ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- ☒ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): The CEA is a high-level decision maker and works directly with the Executive Management Team.

8. Organizational Level (Select one)

- ☐ 1st ☒ 2nd ☐ 3rd ☐ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Department's Geologic Energy Management Division (Division) oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells, as well as the operation, maintenance, and abandonment of oil and gas production facilities. The regulatory program emphasizes the development of oil, natural gas, and geothermal resources in the State through sound engineering practices that protect the environment, prevent pollution, and ensure public safety.

The CEA position operates as the Chief Deputy of Field Operations statewide and specifically over the three Districts (Inland, Southern, and Northern). The position has the delegated responsibility from the State Oil and Gas Supervisor to gather data and information of a scientific and engineering nature, implement and enforce laws and regulations of the State, and analyze complex operations and incidents which may pose a threat to the environment or health and safety in order to better serve the public. The CEA participates in planning, project development, and preparation of scientific and environmental analysis of regulated activities. The CEA independently, or in collaboration with federal, state, and local governments and city/district/state attorneys, directs investigations of suspected and real incidents of damage from oil and gas operations as well as directs the preparation of violations, enforcement orders, misdemeanors, and civil penalties.

The work of the Division requires that the CEA oversee a variety of engineering and scientific studies and programs, including reservoir engineering, drilling engineering, geology, hydrogeology, underground injection, oil and gas production, hydraulic fracturing, petrophysical studies, geothermal development, and other technical specialties that have immediate and direct impact statewide. The CEA serves as the top oil and gas regulator in the state for all field operations and is often viewed as the face of the Division to industry, local government, environmental groups, and the media in the absence of the State Oil and Gas Supervisor. The CEA also regularly interfaces with the Director and Chief Deputy Director of the Department of Conservation.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☒ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: This is a critical position because of the work that the Division has in front of it. The Division has recently gone through a restructuring of the organization which included consolidating of District offices to become more consistent in the application of statutes and regulations. The division has recently overhauled regulations for Underground Injection Control, Idle Wells, Gas Pipelines, and Underground Gas Storage, is also currently overhauling existing regulations for Geothermal Operations and Well Simulation Treatments while also creating new regulations for Chemical Inventories, Well Simulation Phase Out, Public Health, Cost Estimates and Gas Pipeline Mapping, all of which present several challenges managing such large scale projects and implementing these consistently across the three district offices. This newly created CEA will be able to focus on the three district offices and their projects and issues while providing assistance to program areas in the Headquarter office.

The Department and the Division are highly science-based and rely heavily on scientific and engineering research and data. Part of the Department's mission is to preserve the State's natural resources, ensure the safe exploration of those resources and protect life, property and health. It is critical that the Division manage their field operations in such a way to ensure and promote this. This position would provide executive level leadership and expertise to these vital programs in order to carry out that role.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

Currently, the vacant Chief Deputy of Field Operations is a Governor's appointee position. This position has been vacant for approximately two years. The current appointee position is being re-purposed for other uses and the newly created CEA will fill the role of the old appointee position. The Department is proposing, and the Governor's Office has approved, to create this new CEA to become the Chief Deputy of Field Operations.

In addition the Division has received close to 100 positions in the past few years, many of these are field operations positions under the purview of this position. Trailer bill language also added another 12 field specific witnessing positions in August that are also under the purview of this position. Finally, SB 1137 was passed and signed this legislative session that will add a large number of positions under the purview of this position as well. The Division has struggled to effectively manage this workload that has been split between other members of the Division Executive Team and this workload has become unsustainable going forward. This position is needed to implement all of the recent changes and mandates that have been placed on the field operations component of the Division.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Division has primary regulatory authority for oil and gas production in the State of California. Oil and gas is a multi-billion dollar annual industry with nearly 100,000 active or idle wells subject to Division oversight. As the Division's Chief Deputy of Field Operations, the CEA will have principal responsibility for setting and implementing policy statewide for ensuring the wise development of oil, natural gas, and geothermal resources and that such operations, including operation, maintenance, and abandonment of wells and facilities, are carried out consistent with the laws of the state and in a manner that will not endanger life, health, property, or natural resources.

The CEA is a high-level position that leads all operations statewide, and makes high-level decisions affecting all oil, gas, and geothermal operations under the Division's jurisdiction. Sensitive oil, gas, and geothermal operations occur 24 hours/day and 365 days/year and policy decisions which could affect the environment and public health and safety are often required at any time, day or night. The CEA will develop statewide policies to implement and enforce Division laws for the safe operation of oil, gas, and geothermal fields in the state.

Public Health: The Division was tasked by the Governor in EO N-79-20 to propose a significantly strengthened, stringent, science-based health and safety rule that protects communities and workers from the impacts of oil extraction activities. This rule is vital to support environmental justice throughout the state and lessen the impacts of oil extraction near sensitive receptors. The Chief Deputy will be instrumental in enforcing the new rules statewide through field activities.

Abandoned and Orphaned Wells: The state has over 5000 orphaned wells meaning there is no solvent operator to properly abandon them. This causes numerous issues including environmental issues due to improper abandonments, leakage, release of methane gases and other health and safety concerns. Some of these wells are close to sensitive receptors such as houses or are near agriculture land or water ways. The state will be receiving hundreds of millions of dollars in funding to properly remediate these wells and their attendant facilities. All of the actual on-site work is under the purview of the proposed CEA.

Surface Expressions: One important regulatory challenge associated with thermal operations is the unpredictable and uncontrollable release of steam, water and oil to the surface, and the surface deformation that is associated with movement of energy in the near surface. The impacts of these releases range from minor containment operations to loss of life, and the subtle surface deformations can be leading indicators of potential issues. The Division is the lead in conducting collaborative research with universities and the National Labs into understanding this complex and dynamic system. The outcome of these research projects will be a scientifically sound framework for designing meaningful and impactful regulations and policies to predict, prevent and control these releases.

Underground Injection Control: The Chief Deputy of Field Operations plays an important role in forming policy and regulations for these activities. The UIC operations range from steam injection to water/gas disposal operating in remote oilfields, agricultural and urban areas, and include oil reservoir formation waters ranging from non-USDW to drinking water. An important part of water management is ensuring that the quality of produced waters with beneficial uses are not compromised. Tens of millions of gallons of produced water are currently delivered to agricultural water districts, and with SGMA rules, this will become an increasingly important resource. How the subsurface is managed in areas of beneficial uses of produced water then become even more critical. The Division will be highly influential or the lead in designing policy along with other involved regulatory agencies, principally the Regional and State Water Boards.

Aquifer Exemptions: The bulk of the Aquifer Exemption proposals in the State are in the Inland District. While several have reached conclusion with the US Environmental Protection Agency (EPA), most of them remain in an evaluation state either with State and Regional Water Boards, the public or the US EPA. The Inland District has set the standards for formatting these proposals and will continue to do so for the remaining applications. Once these applications are approved, their implementation into UIC and permits will need to be streamlined.

Idle Wells: The overwhelming majority of the State's inventory of idle wells are in the Inland District. New regulations have been written and implemented but putting these into practice in the field will identify new challenges and opportunities best defined by those who work most closely with the operators. The Inland District will thus play an essential role in implementing the new regulations, tuning them for optimizing the process into the future, and identifying shortcomings that require remediation in regulation updates.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The CEA position's scope is very broad and implements Division statutes and regulations, makes discretionary decisions on behalf of the State and the State Oil and Gas Supervisor, enforces administrative, remedial, and emergency orders to prevent damage to life, health, and property as well as natural resources. The CEA's authority is statewide and the CEA is a high-level decision maker and works directly with the Director and the Chief Deputy Director of the Department, the State Oil and Gas Supervisor, the Chief Counsel of Legal, the Assistant Director of the Office of Legislative and Regulatory Affairs, the Assistant Director of Administration, the Assistant Director of Communications, and the various Natural Resources Agency staff, to implement and enforce the statutes and regulations of the Division statewide. The CEA has broad authority to enforce laws under Title 2, Division 1, of California Government Code. For the State to meet the challenge of numerous new mandates, the CEA will create consistent processes and practices statewide to implement various policy objectives. The CEA will direct the activities of three District Deputies and all of their professional and support staff. The CEA will regularly communicate with the highest-level officials in the division and department, including the State Oil and Gas Supervisor and the Chief Deputy of Programs for the Division, the Director and Chief Deputy Director of the Department of Conservation, as well as top officials of other federal, state, and local governments, and elected officials.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CEA will be instrumental in not only developing and implementing new policy, but because they are in charge of all field operations, they will also be tasked with implementing and enforcing current policy statewide. Most of the new policies/regulations and proposed policies/regulations have a direct impact on this position as they are mostly built around oil and gas extraction which falls under the proposed CEA. The CEA will solicit input from field staff and work with program staff to develop solutions for the extraction process and then will be solely charged with implementing policy consistently statewide.